



**ARIZONA STATE SENATE**  
*Fifty-Second Legislature, Second Regular Session*

FACT SHEET FOR S.B. 1534

government; budget reconciliation; 2016-2017

Purpose

Makes necessary statutory changes relating to general government to reconcile the FY 2017 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and session law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless an emergency clause is enacted.

Provisions

***Arizona Medical Board (AMB)***

1. Allows the AMB to expend supplemental monies appropriated to the AMB Fund in FY 2014, for the purpose of contracting with an instate credentials verification service for health professions to review all initial applications received by the Board from October 1, 2011, through February 5, 2014, through FY 2016 and prohibits additional expenditures effective July 1, 2016.
2. Stipulates, effective July 1, 2016, a claim arising out of a contract with an instate credentials verification service for health professions is not subject to administrative adjustment.
3. Applies retroactively effective July 1, 2015.

***Retirement Systems***

4. Requires the Arizona State Retirement System Board to submit in the annual report to the Governor and Legislature, an estimate of the aggregate fees paid for private equity investments, including management fees and performance fees.
5. Requires the Public Safety Personnel Retirement System to submit in the annual financial report to the Governor and Legislature, an estimate of the aggregate fees paid for private equity investments, including management fees and performance fees.

***Arizona Department of Transportation (ADOT)***

6. Creates two subaccounts in the Safety Enforcement and Transportation Infrastructure Fund (Fund), subject to legislative appropriation, consisting of the following:
  - a) the Department of Transportation Subaccount (ADOT Subaccount) consisting of 55 percent of the monies deposited monthly into the fund; and
  - b) the Department of Public Safety Subaccount consisting of 45 percent of the monies deposited monthly into the fund.
7. Removes requirement for monies in the Fund to be appropriated by the legislature.
8. Stipulates the ADOT Subaccount may be used for projects proposed by the Arizona Department of Homeland Security to improve traffic safety in Arizona.
9. Allows the ADOT Subaccount to be used for projects proposed by the Arizona International Development Authority to plan and develop transportation facilities on the border between Arizona and Mexico, to improve traffic safety in Arizona.
10. Assigns responsibility for the safety oversight of light rail transit and street car systems to ADOT, including all of the following:
  - a) the enforcement and investigative authority over engineering, construction and revenue services;
  - b) the enforcement of safety requirements;
  - c) the oversight and enforcement over the implementation of safety plans;
  - d) the authority to enforce federal and state laws pertaining to light rail transit system safety; and
  - e) the authority to compel light rail transit and street car systems to address, in a timely manner, deficiencies identified through investigations and audits.
11. Specifies the metropolitan planning organization, in the county in which the light rail transit system or street car system is located, must pay costs incurred by ADOT, related to the oversight, including the risk management costs and judgments against Arizona.
12. Extends absolute immunity to ADOT for the establishment, implementation and enforcement of minimum safety standards for street car systems.

***Department of Emergency and Military Affairs (DEMA)***

13. Establishes the Emergency Management Assistance Compact Fund (Compact Fund), retroactively effective May 1, 2016.
14. Stipulates the Compact Fund shall be administered by DEMA, consisting of non-lapsing monies appropriated by the Legislature and reimbursement of costs associated with rendering aid to another state related to the Emergency Management Assistance Compact during emergencies or a natural disaster.

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15. Appropriates \$300,000 from the state General Fund (GF) in FY 2017 to the Compact Fund and reduces the allowable amount authorized in unrestricted state GF monies to pay claims for emergencies or disasters in FY 2016.

*Miscellaneous*

16. Makes technical and conforming changes.
17. Becomes effective on the general effective date, except as otherwise noted.

Prepared by Senate Research

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RH/rf